



INDIANA UTILITY REGULATORY COMMISSION
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MEMORANDUM

TO: Commissioners Hardy, Golc, Landis, Server and Ziegner

FROM: Jerry L. Webb, Director of Water/Sewer Division *Jerry Webb*

DATE: July 20, 2007

RE: Utility Articles for Next Conference

The following Final Articles "A", "C" and "G", and Preliminary Articles "A" are submitted to each of you to acquaint you with the tariffs eligible for action or acceptance on or after July 25, 2007.

JLW/ld

"A" Finals

The following miscellaneous item(s) will be eligible for final consideration at the next Commission Conference and based upon review by staff members of the Commission, I recommend approval.

1. Bargersville Municipal Water Utility

The utility is proposing to add new, larger sprinkler, or fire service connection rates to its current tariff. While it currently has rates for two-, four-, and six-inch connections, the utility is expecting new large customers and seeks to establish eight-, ten-, and twelve-inch rates.

The proposed rates are based upon a generally-accepted practice regarding the ratios of different pipe cross-sections, which approximates the ability to deliver water at a prescribed rate. They have based their calculations on the size and rate of the existing, six-inch connection.

	Current Charge	Proposed Charge
8-inch connection	n/a	\$ 1,543.13
10-inch connection	n/a	\$ 2,411.13
12-inch connection	n/a	\$ 3,472.00

Finally, to avoid customer confusion, the utility also seeks to rename its "Facility Charge" to "Monthly Base Charge." This represents the fixed charge, or amount that the customer must pay whether or not there is any water consumption.

The tariff pages affected by this filing are:

- Pages 1 of 3 and 2 of 3.

2. Indiana Michigan Power Company, d/b/a American Electric Power

The Utility has submitted for Commission review a request for approval of fiscal Year 8 net merger savings reduction rider factors pursuant to the Commission's April 26, 1999 Order in Cause No. 41210 relating to the merger of American Electric Power Company, Inc. and Central and South West Corporation (Order). The purpose of the factors is to reduce bills to customers pursuant to Attachment A (also Attachment A to this filing) of the Stipulation and Settlement Agreement (Agreement) approved by the Commission in Cause No. 41210.

The Agreement specified that the annual bill reduction amounts would be allocated to rate classes based upon total revenues, excluding fuel cost adjustment, and credited to customers' bills through the application of a per kilowatt-hour (kWh) factor specific to each rate class. The Agreement also stated that each individual year's bill reduction would apply for a twelve-month period except for an adjustment during each third quarter to reconcile actual kWh sales and projected kWh sales for the prior year. The Utility stated that in accordance with I&M's testimony in Cause No. 41210, the calculations of the proposed AEP/CSW net merger savings reduction rider factors were based upon the latest available total revenues, excluding fuel cost

adjustment, and billed kWh taking into account that calendar year data are more readily accessible, not as cumbersome to accumulate, and subject to a reconciliation process.

As also described in I&M's testimony in Cause No. 41210, prior to the beginning of each fiscal year following consummation of the merger, I&M will make a 30-day filing to establish the net merger savings reduction rider factors to effect that fiscal year's customer bill reduction. Prior to the third quarter of each fiscal year (except the first fiscal year), a 30-day filing will be made to establish the adjustment to the riders, as required by the Agreement, to reconcile actual kWh sales and projected kWh sales for the prior fiscal year. The adjusted rider factors will be in effect for the seventh through the ninth billing months of each fiscal year (except the first fiscal year) after which the factors will return to the unadjusted levels. I&M will also make a 30-day filing, at the request of Staff, prior to the conclusion of the third quarter reconciliation period, that returns factors to the current fiscal year unadjusted levels following the reconciliation period. This process will be repeated annually through the reconciliation of the eighth fiscal year. The last reconciled reduction will continue to apply in years following the end of the eighth fiscal year until I&M's Indiana base rates are changed.

Attachment B to the Utility's filing provided the calculations of the proposed AEP/CSW net merger savings reduction rider factors. For each rate class, the annual merger savings per average customer is 1.38%. The calculations were made in accordance with the Agreement in Cause No. 41210. The annual merger savings per average residential customer is \$10.61; per average commercial customer is \$130.21; and per average industrial customer is \$9,717.86.

Also included with the Utility's filing, as required by the Commission's April 26, 1999 Order in Cause No. 41210, was a verified statement indicating that the facts contained in the filing were true to the best of the affiant's knowledge and that a copy of this 30-day filing was served on each party to Cause No. 41210.

The tariff sheets affected by this filing are:

- Twenty-First Revised Sheet No. 19
- Twenty-Second Revised Sheet No. 19.1
- Twentieth Revised Sheet No. 21
- Twenty-Second Revised Sheet No. 22
- Twentieth Revised Sheet No. 23
- Twenty-First Revised Sheet No. 23.1
- Sixteenth Revised Sheet No. 31

"C" Finals

In order to maintain parity and be in compliance with the Commission's Final Order in Cause No. 39369 issued June 2, 1993, the following local exchange carrier has filed intrastate access parity tariffs mirroring their respective interstate equivalents. The requirements prescribed for these filings in Commission Order No. 39369 have been carried out and I recommend approval.

FEDERAL COMMUNICATIONS COMMISSION				
Item No.	Local Exchange Carrier	Transmittal Number	File Date	Effective Date
1.	Communications Corp of Ind.	1168	05-17-07	06-01-07
2.	Communications Corp of Ind.	1169	05-17-07	06-01-07
3.	Communications Corp of Ind.	1171	06-15-07	06-30-07
4.	Communications Corp of Ind.	1172	06-15-07	06-30-07

"G" Final

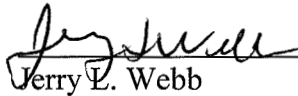
Revisions to the Fuel Cost Adjustment factor has been reviewed by staff members of the Commission and found to be in compliance with the orders of the Commission. The requirements prescribed for this filing in Commission Order No. 35687 has been met and I recommend approval.

Item No.	Utility Name	Change	Filing Number
1.	Straughn	Decrease	111-07-08

ORIGINAL

JULY 25, 2007

Please indicate your consideration and action of the preceding items on the appropriate lines provided below.


Jerry L. Webb

Director of Water/Sewer Division

I approve of all items as presented above

I approve of all items as presented above except

Not participating in the following items

I, _____, Disapprove Items

No.

I, _____, Wish to Defer Items

No.

I hereby certify that the above is a true and correct copy of the action on the articles.

Brenda A. Howe
Secretary to the Commission

"A" Preliminaries

The following new miscellaneous items have been reviewed by staff members of the Commission and we recommend accepting them for filing.

1. Driftwood Utilities, Inc. (sewer)

The utility is proposing to add three reconnection fees; \$405 for a basic reconnection, \$560 for a mobile home reconnection and \$1,560 for an extensive service reconnection. The establishment of these fees is to encourage payment for services rendered. Driftwood provided cost support for each of its proposed changes.

Description Types of Reconnections	Current Charge	Proposed Charge
Basic Service ¹	\$ 0	\$ 405
Mobile Home Service ²	\$ 0	\$ 560
Extensive Service ³	\$ 0	\$1,560

Driftwood has also modified its rules to adopt all applicable commission rules for service. The proposed rules will replace the utility's current rules on file with the commission and consists of only one page.

The tariff page affected by this filing is:

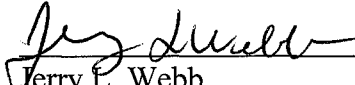
- Page 2 of 2

2. Northern Indiana Public Service Company

The utility is proposing a revision to its General Rules and Regulations – Interconnection Standards Appendix D to Rule 51. This revision follows the Commission's previous approval of the utility's form of applications and interconnection agreements and is necessary to amend the utility's Electric Service Tariff. Appendix D is being revised to allow the customer an additional option to pay for excess facilities before construction in addition to the Excess Facilities charge under Rule 41 included in the utility's Rules and Regulations.

The tariff sheet affected by this filing is:

- Appendix D to Rule 51 - Interconnection Agreement Level 2 or Level 3



Jerry L. Webb
Director of Water/Sewer Division

¹ This is a home with existing and functioning cleanout.

² This includes removing skirt from trailer, disconnecting current trailer-lateral connection and plugging both the trailer pipe and the lateral.

³ Rates apply where customer has no existing above-ground cleanout that would permit disconnection without excavation. Service involves excavation of lateral sewer line to install new cleanout service. Service includes utility locates, material and equipment to install proper cleanout, and restoration of excavated site.